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No. 02-373

IN THE

Supreme Court of the United States

ORANGE BANG, INC., UNIQUE BEVERAGE DISPENSERS, INC., DAVID FOX and BRUCE BURWICK,

Petitioners,

v.

JUICY WHIP, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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RESPONDENT'S STATEMENT OF THE QUESTION PRESENTED

Whether the Federal Circuit correctly reversed the trial court's denial of respondent's motion for JMOL of no invalidity, where petitioners presented no evidence — not even testimony — that the alleged prior art device met each and every limitation of the patent claims at issue, *i.e.*, the undisputed requirement for proving invalidity?

STATEMENT PURSUANT TO RULE 29.6

Respondent, Juicy Whip, Inc., has no parent corporation and no publicly held company owns 10% or more of its stock.

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Cases:

Finnigan Corp. v. Int'l Trade Com'n, 180 F.3d 1354, 51 U.S.P.Q.2d 1001 (Fed. Cir. 1999) 5

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Pfaff v. Wells Electronics, Inc., 525 U.S. 55 (1999) 2

Yee v. Escondido, 503 U.S. 519 (1992) 8

Statute:

35 U.S.C. § 102(b) 2

I. SUMMARY OF OPPOSITION

The Petition for Writ of Certiorari should be denied because it ignores the Federal Circuit's actual basis for its decision. The Petition instead is based on a fabricated holding that the Federal Circuit never reached.

The Federal Circuit reversed the denial of respondent's motion for JMOL that the patent-in-suit is not invalid because petitioners offered **no evidence** — no testimony, no evidence of any kind — that their alleged prior art device included each and every element of the patent claims in suit. It is undisputed that such element-by-element proof is required, and petitioners simply failed to offer this required evidence. The Federal Circuit also stated that even if petitioners had presented testimony on every element of the claims, the testimony did not — based on a multi factor, rule of reason analysis — amount to clear and convincing evidence.

In an effort to solicit an advisory opinion from this Court, petitioners have manufactured a holding that the Federal Circuit never reached, namely, that uncorroborated testimony is never sufficient to prove invalidity. Notably, petitioners never quote the Federal Circuit decision on review for this non-existent holding. Indeed, they quote the Federal Circuit's decision virtually not at all.

The Petition should be denied.

II. OPPOSITION

A. Petitioners Ignore The Actual Basis For The Federal Circuit's Decision

Respondent Juicy Whip, Inc. asserted claims 6 and 9 of U.S. Patent No. 5,575,405 ("the '405 patent") in this case. Petitioners contended at trial that claims 6 and 9 were invalid based on their alleged prior public use[1] of beverage dispensers in 1983 and 1988.

It is well established, and undisputed by petitioners, that a party alleging that a patent claim is invalid must prove that the alleged prior art includes each and every element (sometimes called "limitation") of the patent claim. *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 68-69 (1999). As the Federal Circuit stated:

> When the asserted basis of invalidity is prior public use, the party with the burden of proof must show that "the subject of the barring activity met each of the limitations of the claim, and thus was an embodiment of the claimed invention." *Scaltech Inc. v. Retec/Tetra, L.L.C.*, 178 F.3d 1378, 1383, 51 USPQ2d 1055, 1058 (Fed. Cir. 1999).

(App. 16.)

The Federal Circuit based its decision in the instant appeal on this unchallenged principle of law. The Federal

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1. Pursuant to 35 U.S.C. § 102(b), a patent claim is invalid if the invention claimed was "in public use . . . more than one year prior to the date of the application for patent in the United States."

Circuit held that JMOL should have been granted because petitioners presented **no evidence of any kind** that the alleged prior public use met each and every element of claims 6 and 9. (App. 16-21.) As the Federal Circuit stated:

> Orange Bang did not present an element-by-element comparison between the 1983 and 1988 dispensers and the asserted claims. . . .
>
> Our review of the record shows a lack of substantial evidence supporting the jury's finding of invalidity under 35 U.S.C. § 102(b). We conclude that, on the record, no reasonable juror could have found that Orange Bang established — by clear and convincing evidence — that the 1983 and 1988 dispensers were complete embodiments of the claimed invention. Specifically, the record lacks substantial evidence regarding at least one limitation of each asserted claim. Claim 6 is directed to a "method for inducing sales of a beverage" comprising the step of "positioning a transparent display bowl relative to the dispenser outlet to create the visual impression that said bowl is the reservoir and principal source from which a serving of the beverage is dispensed." '405 patent, col. 12, ll. 53-56. Claim 9 requires that the dispenser be "positioned relative to said outlet to create the visual impression that said container is the reservoir and principal source of said dispensed beverage issuing from said outlet." '405 patent, col. 13, ll. 10-13. While the record contains testimony from several witnesses which, if believed by the jury, indicates that some of the

claim limitations were found in the 1983 and 1988 dispensers, the record is devoid of evidence showing that the above limitations were found in either dispenser.

(App. 16-17.)[2]

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2. Claims 6 and 9 state (with the limitations not proven in italics):

6. A method for inducing sales of a beverage to be dispensed from the outlet of a post-mix beverage dispenser, said method comprising the steps of:

positioning a transparent display bowl relative to the dispenser outlet to create the visual impression that said bowl is the reservoir and principal source from which a serving of the beverage is dispensed;

selecting a display fluid for said bowl which resists formation of organic growth and simulates the appearance of the dispensed beverage; and

visibly storing, without dispensing, a quantity of said fluid in said bowl to create the visual impression that multiple servings of the dispensed beverage are stored in said bowl for issuance from the outlet.

9. A beverage dispensing apparatus comprising:

a post-mix dispenser having a dispensing outlet for discharging beverage components in predetermined proportions to provide a serving of dispensed beverage; and

(Cont'd)

Petitioners fail even to mention the Federal Circuit's holding to this Court. This omission is misleading, and renders the Petition frivolous. Because petitioners do not challenge the *actual basis* for the Federal Circuit's decision, the Petition should be denied.

B. Petitioners Mischaracterize The Federal Circuit's Review Of The Testimony At Issue

Beyond ignoring the Federal Circuit's actual holding in this case, petitioners turn to *another* Federal Circuit case (*Finnigan Corp. v. Int'l Trade Com'n*) for the issues of this Petition:

> In the *Barbed-Wire Patent Case*, the Court indicted that testimony used to invalidate a patent

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(Cont'd)

> a transparent display container having no fluid connection with said outlet and visibly containing a quantity of fluid which simulates the appearance of said dispensed beverage, said fluid being resistant to organic growth;
>
> *said container being positioned relative to said outlet to create the visual impression that said container is the reservoir and principal source of said dispensed beverage issuing from said outlet*; and
>
> said container and said quantity of fluid visible within said container cooperating to create the visual impression that multiple servings of said dispensed beverage are stored within said container.

(App. 4-5.)

> is viewed with suspicion, and petitioners take no issue with that proposition.
>
> * * *
>
> After its creation and in response to the *Barbed-Wire Patent Case* the Federal Circuit at least initially determined the adequacy of corroboration using a flexible "rule of reason" analysis. [Citations omitted.] However, more recently that flexible rule of reason analysis has been transformed into the inflexible rule that written corroboration is needed for virtually every element of a claimed prior art use to meet the supposedly "clear and convincing" standard needed to invalidate a patent. *Finnigan Corp. v. Int'l Trade Com'n*, 180 F.3d 1354, 51 U.S.P.Q.2d 1001 (Fed. Cir. 1999). As a consequence, the burden of proof requirement now exceeds that of the criminal standard.

(Petitioners' Brief, pp. 11-13.)

In *this* case, however, the Federal Circuit *applied the flexible, "rule of reason," analysis* for corroboration:

> Even if the testimony at trial were sufficient to correlate each element of the alleged anticipatory dispensers with each claim limitation, this court must still ascertain whether that type of evidence was adequate to support the jury's finding. . . .
>
> * * *

> . . . In light of this high standard, this court's predecessor adopted a list of factors for evaluating the credibility of oral statements. *See In re Reuter*, 670 F.2d 1015, 1021 & n.9, 210 USPQ 249, 255 & n.9 (CCPA 1981). Those factors include: (1) delay between event and trial, (2) interest of witness, (3) contradiction or impeachment, (4) corroboration, (5) witnesses' familiarity with details of alleged prior structure, (6) improbability of prior use considering state of the art, (7) impact of the invention on the industry, and (8) relationship between witness and alleged prior user. *Id.* (citing *E.I. du Pont de Nemours & Co. v. Berkley & Co.*, 620 F.2d 1247, 1261 n.20, 205 USPQ 1, 11 n.20 (8th Cir. 1980)). This Court, especially in the context of proving priority of invention, has analyzed this corroboration requirement with a "rule of reason" analysis. *See Price v. Symsek*, 988 F.2d 1187, 1195, 26 USPQ2d 1031, 1037 (Fed. Cir. 1993).
>
> * * *
>
> Here, applying the *Reuter* factors, we conclude that the evidence presented by Orange Bang was insufficient as a matter of law to surmount the clear and convincing evidence hurdle. The testimony about the 1983 and 1988 dispensers came more than eight and twelve years, respectively, after the witnesses saw the dispensers. Cretella, the only witness to use the dispensers to serve drinks in public, kept the 1983 dispenser for only one month and the 1988 dispenser for less than three months. None of the six witnesses can be said to be disinterested.

(App. 21, 24, 27.)

The Federal Circuit in *this* case never articulated, let alone relied on, an "inflexible rule that written corroboration is needed for virtually every element of a claimed prior art use," as petitioners represent. (Petitioners' Brief, p. 12.) After holding that petitioners had presented *no* evidence for at least one claim element (App. 16-21), the Federal Circuit concluded that petitioners' testimony was also insufficient based on a *rule of reason* analysis (App. 27 ("applying the *Reuter* factors, we conclude that the evidence presented by Orange Bang was insufficient as a matter of law to surmount the clear and convincing evidence hurdle")).

Petitioners improperly seek an advisory opinion. *See Lambrix v. Singletary*, 520 U.S. 5188, 522-23 (1997). The Petition should be denied.[3]

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3. It bears note that petitioners never raised to the Federal Circuit the burden of proof argument they urge on this Court. *See Yee v. Escondido*, 503 U.S. 519, 533 (1992).

III. CONCLUSION

Petitioners fail to address the Federal Circuit's actual basis for its decision — no evidence of any kind that the alleged prior public use meets all limitations of the patent claims. Instead, they manufacture a ruling never reached by the Federal Circuit. The Petition is baseless and should be denied.

Respectfully submitted,

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